

## Message Text

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PAGE 01 STATE 028459

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TO AMEMBASSY JIDDA PRIORITY

INFO AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY KUWAIT

AMEMBASSY TEL AVIV

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E.O. 11652: N/A

TAGS: OREP (ADLAI STEVENSON)

SUBJECT: CODEL STEVENSON: SUMMARY OF STEVENSON-WILLIAMS

BILL

REF: STATE 25893

1. SUMMARY OF STEVENSON-WILLIAMS BILL (S.953)FOLLOWS. IT IS BASED ON MOST RECENT VERSION NOW ON FLOOR OF SENATE.

2. TITLE I OF THE BILL (FOREIGN BOYCOTTS ACT OF 1975) IN PART WOULD SIMPLY ENACT INTO STATUTORY LAW THE SUBSTANCE OF CERTAIN PROVISIONS OF COMMERCE'S EXPORT REGULATIONS AS AMENDED ON DEC. 1, 1975. TITLE I WOULD REQUIRE EXPORTERS TO INFORM COMMERCE OF BOYCOTT REQUESTS THEY RECEIVE AND TO INDICATE WHETHER THEY ARE COMPLYING WITH THE REQUESTS; AND WOULD FORBID EXPORTERS FROM FURNISHING INFORMATION ABOUT RACE, RELIGION OR NATIONAL ORIGIN IN CONNECTION WITH SUCH REQUESTS. (TITLE I DROPS THE SEX DISCRIMINATION PROVISION OF THE COMMERCE REGULATIONS.) IN ADDITION, TITLE I WOULD:

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PAGE 02 STATE 028459

(A) REQUIRE COMMERCE TO PROHIBIT ANY AMERICAN PERSON FROM

REFUSING TO DO BUSINESS WITH ANOTHER AMERICAN PERSON PURSUANT TO AN AGREEMENT WITH, REQUIREMENT OF, OR REQUEST FROM A FOREIGN COUNTRY OR PERSON, MADE FOR THE PURPOSE OF IMPLEMENTING A BOYCOTT. THIS WOULD ENACT INTO U.S. EXPORT LAW THE SUBSTANCE OF THE RELIEF ASKED IN THE BECHTEL ANTI-TRUST COMPLAINT FILED BY THE JUSTICE DEPT IN DECEMBER.

PENALTIES FOR VIOLATION WOULD BE AS DESCRIBED IN PARA (C) BELOW.

(B) REQUIRE PUBLIC DISCLOSURE OF THE MANDATORY COMPANY REPORTS OF BOYCOTT REQUESTS AND INTENDED COMPLIANCE; AND OF CHARGING LETTERS ISSUED BY COMMERCE AGAINST COMPANIES FOR VIOLATING THE ACT OR REGULATIONS UNDER IT.

(C) AUTHORIZE COMMERCE TO IMPOSE, AFTER PROPER HEARING, PENALTIES OF UP TO DOLS 10,000 AND SUSPENSION OR REVOCATION OF THE AUTHORITY TO EXPORT, ON ANYONE VIOLATING THE ACT OR REGULATIONS UNDER IT.

(D) REQUIRE REPORTS: TO THE SECRETARY OF STATE, OF BOYCOTT REQUESTS AND COMPLIANCE, FOR WHATEVER ACTION HE DEEMS APPROPRIATE; AND TO CONGRESS, OF ACTIONS TAKEN BY THE EXECUTIVE BRANCH TO CARRY OUT THE EXPORT ADMINISTRATION ACT'S ANTI-BOYCOTT POLICY.

(E) EXPLICATE THAT THE ANTI-BOYCOTT POLICY APPLIES TO ACTIONS AGAINST AMERICAN FIRMS AS WELL AS AGAINST FRIENDLY FOREIGN COUNTRIES; AND THAT BANKS AND OTHER FINANCIAL INSTITUTIONS ARE COVERED BY THE ACT.

THE HOUSE VERSION OF THE FOREIGN BOYCOTTS ACT (H.R.11463 INTRODUCED ON JAN. 22 BY REP. KOCH WITH 35 CO-SPONSORS) IS ALMOST IDENTICAL, DIFFERING ONLY IN THAT IT PROHIBITS SEX DISCRIMINATION ALSO.

3. TITLE II (DOMESTIC AND FOREIGN INVESTMENT IMPROVED DISCLOSURE ACT OF 1975) WOULD REQUIRE ANY PERSON ACQUIRING BENEFICIAL OWNERSHIP OF MORE THAN FIVE PERCENT OF ANY CLASS OF A COMPANY'S EQUITY SECURITIES, TO FILE STATEMENTS WITHIN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 028459

TEN DAYS OF THE PURCHASE WITH SECURITIES EXCHANGES AND THE SEC CONTAINING THE FOLLOWING INFORMATION:

(A) BACKGROUND, IDENTITY, RESIDENCE, NATIONALITY OF THE BENEFICIAL OWNER;

(B) SOURCE AND AMOUNT OF FUNDS USED TO MAKE THE PURCHASE;

(C) IF THE PURCHASE IS MADE FOR PURPOSE OF ACQUIRING CONTROL OF THE BUSINESS, ALL OF THE PURCHASER'S PLANS TO MAKE MAJOR CHANGES IN ITS BUSINESS OR CORPORATE STRUCTURE;

(D) NUMBER OF SHARES OF THE SECURITY OWNED BY THE PURCHASER OR HIS ASSOCIATES;

(E) INFORMATION ABOUT ANY CONTRACTS OR UNDERSTANDINGS WITH ANY PERSON ABOUT THE SECURITIES OF THE BUSINESS.

TITLE II WOULD ALSO REQUIRE ANYONE OWNING TWO PERCENT OR MORE OF ANY CLASS OF EQUITY SECURITY TO MAKE REPORTS OF ITS INTEREST TO THE SEC, AT INTERVALS AND INCLUDING INFORMATION THE SEC SHALL SPECIFY. THESE REPORTS MAY BE MADE PUBLIC. THE SEC WOULD HAVE POWER TO EXEMPT ANYONE FROM THE REQUIREMENT IF IT FINDS SUCH EXEMPTION CONSISTENT WITH THE PUBLIC INTEREST AND WITH PROTECTION OF INVESTORS. THE TWO PERCENT FIGURE IS TO BE PROGRESSIVELY REDUCED OVER A 1-2 YEAR PERIOD FIRST TO ONE PERCENT THEN TO ONE HALF OF ONE PERCENT; ALTHOUGH THE SEC HAS POWER TO QUICKEN OR RETARD THIS PROGRESSIVE REDUCTION. THE SEC IS SUPPOSED TO STUDY AND REPORT BY 1978 ON THE DESIRABILITY OF REDUCING THE FIGURE TO ONE-TENTH OF ONE PERCENT.

THE HOUSE VERSION OF TITLE II IS SIMILAR TO THE SENATE ONE EXCEPT THAT THE PROVISIONS OF THE SECOND PART WOULD APPLY ONLY IN CASES WHERE OWNERS OF RECORD WERE HOLDING ON BEHALF OF OTHER PERSONS, AND THE THRESHOLD FIGURE WOULD IMMEDIATELY BE ONE-TENTH OF ONE PERCENT. KISSINGER

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**TAGS:** OREP, (STEVENSON, ADLAI E)  
**To:** JIDDA  
**Type:** TE  
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